

From the Program Director

Debbie Redfearn

Single Family Housing Program Director

Thank you for another very successful year in the Guaranteed Rural Housing (GRH) Program! During Fiscal Year 2005, Louisiana invested more dollars in the GRH program than any previous year. As of September 30, 2005, we obligated 1,116 loans for a total of \$113,550,597—ranking Louisiana 8th in the nation for the amount of dollars invested. It is through your commitment that we are able to help this many families realize the dream of homeownership in the great state of Louisiana.

As you know, Hurricanes Katrina and Rita devastated Louisiana. However, our commitment to homeownership will not waiver in these difficult times. We live here; Louisiana is our home; and we will rebuild. The GRH program will play a very important role in the recovery of the state. Your commitment will not only help rebuild homes; it will help rebuild lives.

To assist in the recovery effort, we have received authority to approve GRH loans in the following areas:

- Sulphur (Calcasieu Parish)
- New Iberia (Iberia Parish)
- Houma (Terrebonne Parish)
- Slidell (St. Tammany Parish)
- All of Jefferson Parish excluding the unincorporated areas of the East Bank of the Mississippi River (Metairie and River Ridge are not eligible).
- All of St. Bernard Parish
- All of East Baton Rouge Parish excluding the incorporated area of Baton Rouge

These areas are eligible for a period of three years from disaster date. Loans must be approved and obligated within this time frame.



USDA Rural Development Guaranteed Housing Specialist Charles Miniex stands with new homeowner Caroline Palmer as she accepts the keys to her new home from Liz Savoie of Mortgage Factory.

Hurricane Evacuee Has New Home Thanks to Guaranteed Rural Housing Program

As Hurricanes Katrina and Rita left a path of destruction across Louisiana, many people found themselves homeless. Caroline Palmer was one of those people.

Before Katrina, Caroline Palmer lived in Arabie, Louisiana, a suburb of New Orleans. She worked at Wal-Mart and had a busy life with her daughter Aurora. When Hurricane Katrina flooded her community and left her homeless, Ms. Palmer evacuated to Opelousas, Louisiana. As thousands of hurricane evacuees were looking for housing, Ms. Palmer and her daughter found refuge living in a tent in the yard of a family member.

When Ms. Palmer's employer transferred her to the Opelousas Wal-Mart, things started turning around for this evacuee family.

Liz Savoie of Mortgage Factory in Lafayette worked with USDA Rural Development to secure a Guaranteed Rural Housing Loan through J.P. Morgan Chase for Ms. Palmer, and on December 13, the loan closed. The Palmer family folded away the tent forever. Caroline and Aurora Palmer are very excited about their new home—and especially grateful to have a house to live in now that cold weather has begun.

Income Limits in Louisiana

Guaranteed Rural Housing Moderate Income Limits Adjusted Income Limits

(Orleans Parish is Ineligible for Lending)

Number in Household	Income Amount*	West Feliciana Parish Income Amount*
1 Person	\$46,700	\$47,600
2 Persons	\$53,350	\$54,400
3 Persons	\$60,050	\$61,200
4 Persons	\$66,700	\$68,000
5 Persons	\$72,050	\$73,450
6 Persons	\$77,350	\$78,850
7 Persons	\$82,700	\$84,300
8 Persons	\$88,050	\$89,750

Effective March 3, 2005

*Add 8 percent of 4-person income limit for each person in excess of 8 persons.

"Moderate Income" is defined as 115 percent of the U.S. Median Family Income.

PLEASE NOTE:

Loans Impacted by Hurricanes

USDA Rural Development requests that lenders consider establishing a foreclosure moratorium up to February 28, 2005, when initiating new foreclosures on loans affected by hurricanes. This moratorium applies to loans

for homes in the federally declared disaster areas which FEMA designated as eligible for individual assistance.

Loan Reservation System

The loan reservation system is now available. Lenders may request reservation of funds upon receipt of a viable application.

PILOT PROGRAM WITH CHASE HOME FINANCE

We are proud to announce that we have approved the first three GRH loans under the new pilot program with Chase Home Finance. These new construction loans are located in Rayne, New Roads, and Donaldsonville. The key feature of this program is that USDA Rural Development will issue the final Loan Note Guarantee following the closing of the interim loan, without waiting for the completion of the subject property. This program is available statewide. If you have any questions about this program, please contact Chase, the Guaranteed Housing Specialist in your area, or Scott Pousson in the State Office.

Contact Us

State Office

3727 Government Street
Alexandria, Louisiana 71302
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TDD/TTY: (318) 473-7655
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Area I

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pat.guillory@la.usda.gov
Parishes served:
Caldwell, Catahoula, Claiborne,
Concordia, East Carroll, Franklin,
Jackson, LaSalle, Lincoln, Madison,
Morehouse, Ouachita, Richland,
Tensas, Union, and West Carroll

Area II

Mary Lu Wilkerson

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Housing Specialist
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Telephone: (318) 352-7100, ext. 128
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mary.wilkerson@la.usda.gov
Parishes served:
Avoyelles, Bienville, Bossier, Caddo,
DeSoto, Grant, Natchitoches,
Rapides, Red River, Sabine, Vernon,
Webster, and Winn

Area III

Charles Miniex

Single Family Housing Guaranteed
Housing Specialist
USDA Service Center
Whitney National Bank
905 Jefferson Street, Suite 320
Lafayette, Louisiana 70501-7913
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Fax: (337) 262-6823
charles.miniex@la.usda.gov
Parishes served:
Acadia, Allen, Beauregard,
Calcasieu, Cameron, Evangeline,
Iberia, Jefferson Davis, Lafayette,
St. Landry, St. Martin, St. Mary, and
Vermilion

Area IV

John Friedman or Doug Lawrence

Single Family Housing Guaranteed
Housing Specialists
USDA Service Center
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or 136
Fax: (985) 748-4940
john.friedman@la.usda.gov
doug.lawrence@la.usda.gov
Parishes served:
Ascension, Assumption, East Baton
Rouge, East Feliciana, Iberville,
Jefferson, Lafourche, Livingston,
Plaquemines, Pointe Coupee,
St. Bernard, St. Charles,
St. Helena, St. James, St. John,
St. Tammany, Tangipahoa,
Terrebonne, Washington, West Baton
Rouge, and West Feliciana

COMING TO A RURAL AREA NEAR YOU! REVISED ELIGIBLE AREA

All of Rapides Parish excluding the incorporated areas of Alexandria and Pineville is now eligible for origination of GRH loans.

Things to Know

Administrative Notices

The following Administrative Notices have been issued addressing Guaranteed Rural Housing (GRH) loan-making and servicing issues:

RD AN No. 4103 (1980-D) dated August 12, 2005, clarifies GRH requirements for routine charges and fees that lenders may charge borrowers.

RD AN No. 4104 (1980-D) dated August 12, 2005, clarifies GRH procedure on the issuance and retention of Form RD 1980-17, "Loan Note Guarantee," and affirms GRH policy on a lender's request for a duplicate copy.

RD AN No. 4106 (1980-D) dated August 12, 2005, clarifies GRH appraisal documentation requirements for manufactured homes.

RD AN No. 4111 (1980-D) dated October 4, 2005, clarifies GRH requirements related to new construction and homes in Planned Unit Developments (PUDs).

RD AN No. 4114 (1980-D) dated October 21, 2005, elaborates upon the forms of dwelling inspections acceptable for GRH loans.

RD AN No. 4120 (1980-D) dated November 9, 2005, clarifies GRH requirements for reporting sale of Real Estate Owned property (REO) and procedure for the future recovery of sale proceeds when REO held by the lender sells at a higher price than the appraised value used to estimate a net recovery loss claim on unsold REO.

RD AN No. 4121 (1980-D) dated November 5, 2005, provides guidance on the definition of a liquidation value type appraisal and the steps taken in obtaining a liquidation appraisal from a residential appraiser.

RD AN No. 4122 (1980-D) dated November 9, 2005, clarifies inspection, valuation, and loss claim requirements for security property or REO when the property is occupied, subject to redemption rights or when there are lengthy eviction proceedings.

Maximum Loan to Value Ratio (LTVR) for GRH purchase loans is 102 percent (if the entire guarantee fee is financed).

The guarantee fee for purchase loans is 2.00 percent. The refinance fee is 0.5 percent.

Not sure if a property is in an eligible area?

Try out the Income and Property Eligibility website: <http://eligibility.sc.egov.usda.gov>
It can also be used to calculate adjusted household income and compare it to current income limits.

Please visit Louisiana's USDA Rural

Development website: <http://rurdev.usda.gov/la>.

Check here for general program information, contacts, updates, and other valuable information on all USDA Rural Development programs in Louisiana.

Instructions, Forms, Procedure Notices

Rural Development (RD) Instructions, Forms, Procedure Notices (PNs), and Administrative Notices (ANs) can be viewed on the Internet. The link is: <http://rdinit.usda.gov/regs/> or <http://www.rurdev.usda.gov/regs/>.

To obtain Rural Development forms, visit the eGov website: <http://www.sc.egov.usda.gov/>. To obtain a copy of Louisiana Administrative Notices, contact the Guaranteed Housing Specialist in your area.

Address Updates, Questions, and Comments

In an effort to save paper and postage, we are distributing this and future newsletters by e-mail. Thanks go to those of you who have responded to our request and provided us your e-mail address—our e-mail address list is growing longer each day. If you would like to add your name to our e-mail distribution list for newsletters and program announcements, please provide your e-mail address to debbie.redfearn@la.usda.gov.